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**From:** Barnaby Marsh  
**Sent:** Sat 9/10/2011 1:06:13 AM  
**Subject:** September...

Jeffrey-

I've been swamped this week... so much to catch up on down here.

I was thinking more about a few of the things that we spoke of, and I think that it makes sense not to dismiss too quickly the merits of innovation in the prizes area, as it is a way to find talent by making talent come to the prize (or being suggested by nominators), rather than going out to find it, which takes time, energy, and luck. Further, in the case of challenge prizes, others invest the time and energy to win it- consider that the ansari xprize bought an insurance policy for \$2M that paid \$10M if won, and teams invested \$100M plus lots of time to win.  
<http://space.xprize.org/ansari-x-prize> Huge leverage!!! (why fund from scratch and take all of the risk??) Same with the Olympics. If the sponsor does not want attention, fine - he can name it in honor of DaVinci or Einstein, or let someone else name it for a fee. In any event, my point is that prizes do not need to be self-serving, feel good things, but can be used as a tactical way to identify talent and motivate talent to solve problems at a fraction of the cost (with little cost to the sponsor if the problem is not solved).

Have also been thinking a lot about the directions world economy - it seems that the situation is ripe for some big shifts to happen in the next decade in terms of national purchasing power, and related opportunity. Everything is getting faster and more integrated, and this will expose inefficiencies better - lets resume the discussion when we next see each other.

B.

PS: one other area that might be worth thinking about is a systematic mapping of the concept of "luck" - I suspect that this is deeper than just risk, uncertainty, and chance. The psychology lit on this is flimsy (Gillivich's hot hand, etc) but my guess is that luck is made by a combination of proactive (perhaps automatic and subconscious) hedging of bets, mildly positive/confident attitude that affects the behavior of others (as in playing poker), and something a little like a sixth sense that comes from experience that allows for better rendition of cues more quickly than the competition. Would be interesting to think about this further and how it might be tested/applied.